

How Header Bidding Works

Content Optimization Blueprint

This is a blueprint identifying how to rewrite/optimize this existing page on the Newor Media website: [How Does Header Bidding Work?](#)

Clearscope

- [Text optimizer tool](#)

Page Blueprint

URL	/header-bidding-explained
Recommended Page Title:	How Header Bidding Works Newor Media
Meta Description (125-155 characters)	What is header bidding, how does it work, and how can it help you generate more revenue for your website? We've got the answers.
Recommended H1 Header	How Does Header Bidding Work?
Target keyword:	Header bidding
Searcher intent (Funnel)	Top-of-funnel, introductory
Success criteria	Ranking among top results for the term “header bidding”
Target Readers	Newbies
Est. Word count	1850 - 2300 Words
Competition (top 5)	https://digiday.com/media/wtf-header-bidding/ https://www.lotame.com/back-basics-header-bidding/



Five Tool

	https://www.publift.com/adteach/what-is-header-bidding-and-why-should-you-care https://instapage.com/blog/what-is-header-bidding https://www.adjust.com/blog/what-is-header-bidding/
--	---

Outline

How Does Header Bidding Work?

Start with an intro. Provide a high-level overview and then lead into the next H2 (what is header bidding?)

Terms to use: ad tech, web page, ad revenue, programmatic advertising

What is Header Bidding?

Definition. Then provide an example or analogy. Then introduce server-side vs client-side (briefly, then dive deeper in the section below).

Terms to use: real time bidding (RTB), programmatic ads, ad exchanges

Client-Side vs Server-Side Header Bidding

Define. Point out any benefits/drawbacks

Terms to use: ad server

Supply-Side vs Demand-Side Platforms

Define. Point out any benefits/drawbacks to each

Terms to use: SSPs (supply-side platforms), demand partners, demand sources, DSP



Five Tool

How Does Header Bidding Work?

Explain the process. If you have a good visual, use it here. Feel free to expand beyond the term suggestions used below.

Terms to use: bidding process, highest bidder, user experience, winning bid

Header Bidding Wrappers

If there are alternatives to Prebid.js, you can spell those out here. Address the advantages of prebid.js below.

Term(s) to use: prebid.js, javascript, timeout

Pros and Cons of Prebid.js

Terms to use: open-source, Appnexus

What Came Before Header Bidding?

Terms to use: header bidding solution, daisy-chaining

Waterfall Method

Explain what the waterfall method is and why people don't use it any longer.

Other Methods (list each other method as an H3 and describe)

Benefits of Header Bidding

If the benefits for advertisers and publishers is the same, you can eliminate the H3s below and spell out the benefits.



Five Tool

Terms to use (can be used across the following [h3]s instead of in this section intro if it makes more sense): **page latency**, **premium inventory**, **ad ops**, **monetization**, **increased competition**, **cpm**, **ad impressions**

X Benefits For Publishers

- **Benefit 1.** Flesh out benefit.
- **Benefit 2.** Flesh out benefit.
- **Etc.**

Terms to use: **publisher's ad server**, **ad inventory**, **publisher revenue**

X Benefits For Advertisers

- **Benefit 1.** Flesh out benefit.
- **Benefit 2.** Flesh out benefit.
- **Etc.**

Why **Header Bidding** is Better Than AdSense

Discuss the financial benefits. Explain why so many of your customers come from AdSense.

Terms to use: **ad space**, **digital advertising**, **ecosystem**, **optimization**, **ad networks**, **ad placements**, **price floor**

How to Choose a Partner to Help Implement **Header Bidding** On Your Site

Discuss the different characteristics that will impact the type of service/platform a website owner should choose.

Terms to use: **bidding partners**, **dynamic allocation**, **header bidding process**, **fill rates**, **page load times**, **AdX**

Website Traffic Volume

Discuss how having a website of different volume levels impacts how much money a site can make. Also, discuss minimum volume required to use platforms

Other Factors

Discuss additional factors (if any). If there are multiple, add an H3 for each one.

How to Get Started

Detail out the steps needed to get started with **header bidding**. If there is a manual option (e.g. not using a partner) detail it out - especially if it's a challenging process. It's always good to show how hard it is to do on your own and follow it up with a Call To Action letting the reader know that they can contact you to have you do the heavy lifting.

Also, link to calculator somewhere in this section (or in a section above if it makes sense there).

Final Copy

How Header Bidding Works

Programmatic advertising has opened up a whole new world of advertising revenue for publishers. Using **ad tech**, publishers can leverage **programmatic** to generate passive



Five Tool

revenue from a [web page](#) and gain access to a huge pool of advertisers without having to sell directly.

However, the provider you choose and the method you use to access advertisers can make a big difference. Today, most publishers opt for [header bidding](#) because it allows real-time access to more advertisers and results in higher yields.

So, what is [header bidding](#)? Let's take an in-depth look at how [header bidding works](#), its benefits, and why it's a better approach for [optimizing ad revenue](#) than Google AdSense.

What is Header Bidding?

[Header bidding](#) is an advanced [programmatic advertising](#) technique that allows publishers to offer [ad inventory](#) to multiple [ad exchanges](#) at the same time. This [real-time bidding \(RTB\)](#) process allows many different [demand sources](#) to offer bids on the same [programmatic ads](#) at the same time.

[Header bidding](#) can be a significant competitive advantage for publishers, generating greater [monetization](#) through higher rates. That's why 84% of the top 10,000 websites in the US have [moved to header bidding](#). The majority say the more competitive bidding structure [produced higher rates](#).

Not all [ad networks](#) use [header bidding](#), though. For example, Google AdSense only compares bids from advertisers that are using the Google Ads platform. That is just one reason so many advertisers have switched to platforms that use [header bidding](#), such as [Newor Media](#).

Think of it this way. You're selling your home and decide to auction it off. You can invite one specific real estate brokerage to bid on behalf of their clients looking for homes. With [header bidding](#), you can open up the auction to every real estate agent and every homebuyer. Bids are sent instantly in real-time and you can pick the highest one.

[Header bidding](#) can be initiated either through a central server ([server-side header bidding](#)) or via a publisher's website ([client-side header bidding](#)).



Five Tool

Client-Side vs Server-Side Header Bidding

Client-side header bidding requires publishers to add a snippet of code to their website. Each time a page loads in a user's browser, the code triggers a real-time ad call to its ad network/demand partners. Bids from multiple advertisers and demand partners come in and are analyzed. The highest bidder from among all of the different sources wins the bid.

In most cases, not only are these bidders in competition with other advertisers through ad exchanges, but they are also bidding against direct deals that publishers have made on their own. After the winning bid is determined — within milliseconds — an ad server displays the ad in the appropriate ad unit on the publisher's website.

With server-side header bidding, publishers also use a snippet of code on their website, but the activity takes place on a central server rather than in a browser. So, when a user opens up a page, the ad request is sent to a vendor's server, which then sends out requests to multiple demand sources in real-time. The highest bidder wins and is passed back to the publisher's ad server, which then displays the ads.

There are pros and cons to each method.

Pros of Client-Side Header Bidding

- Control: Publishers can easily add and remove demand sources
- Transparency: Publishers can see who is bidding
- Industry-standard: Many ad partners and demand partners

Pros of Server-Side Header Bidding

- Reduced latency: Moving the process from the browser level to the server can reduce page latency by milliseconds
- Rich media, video: Resource-intensive ad units can load more quickly



Five Tool

- Demand partners: Can include more demand sources

Cons of Client-Side Header Bidding

- Latency: Can affect page load speeds, although most users will never notice
- Duplicate bids: If publishers connect to multiple header partners, the same impression is offered for sale multiple times, attracting duplicate bids
- Limits on ad requests: Browsers can only handle so many requests at the same time, generally about a dozen

Cons of Server-Side Header Bidding

- Control and transparency: Auctions are hidden from publisher view on the ad servers
- Duplicate bids: There is also the risk of offering the same impression for sales multiple times and attracting duplicate bids
- Targeting: Server-side header bidding does not support cookie matching as data is typically filtered when it moves to servers

Supply-Side vs Demand-Side Platforms

The programmatic advertising ecosystem works in the blink of an eye. From the time an ad call is placed, the highest bidder is chosen, and the ad is served. Behind the scenes though, a lot of activity is happening between SSPs (supply-side platforms), ad exchanges, and DSPs (demand-side platforms).

Rather than buy directly from a publisher, advertisers and ad agencies use a DSP to buy online ads across multiple publishers. DSPs help in targeting and allow advertisers to set parameters on what they're willing to buy. For ad buyers, this avoids having to negotiate with individual sites.



Five Tool

SSPs manage the ad supply. Publishers connect their ad inventory to the SSP, which allows them to offer their ad units to multiple demand partners. Within the SSP, publishers can set a price floor for rates and filter ad placements.

The two platforms work together to facilitate a buy. The DSP aggregates advertiser requests and bids from its demand partners, while the SSP consolidates a publisher's inventory from multiple publishers. When there's a match between demand partners and demand sources with supply sources, a bid is accepted and ads are served.

If all of this seems complicated, it can be. That's why you want to work with programmatic advertising experts like Newor Media that can handle all of this for you and provide a passive revenue stream.

How Does Header Bidding Work?

The header bidding process works by offering ad inventory to multiple ad exchanges at the same time. The higher bidder is chosen automatically. The winning bid results in that advertiser's ads being shown. And it all happens in near real-time to avoid disrupting the user experience.

Dynamic allocation allows all demand that hasn't been guaranteed through open auctions or open bidding to compete in real-time.

Publishers use header bidding wrappers to manage demand sources.

Header Bidding Wrappers

A header bidding wrapper manages all of the bidding partners that publishers want to connect with. It sets rules for the programmatic auction and ensures bid requests are all triggered simultaneously. These header bidding wrappers also have a timeout feature, which cuts bids off after a certain time to ensure the programmatic process doesn't impact the user experience.



Five Tool

Header bidding wrappers result in unbiased auctions because they allow all demand partners to bid. It also makes it easy for publishers to add new demand partners without having to change the code for individual partners on the website.

[Prebid.js](#) is a popular header bidding wrapper that supports more than 300 demand sources and multiple ad servers. Also known as a prebid wrapper, it's an open-source solution that includes a library of adapters that can be used to connect with demand partners.

There are also alternatives to [prebid.js](#), such as:

- Xandr / AppNexus
- Amazon Publisher Services
- The Rubicon Project
- Pubmatic Open Wrap

Pros and Cons of [Prebid.js](#)

Using [prebid.js](#) wrappers can streamline the process and decrease the demand partner response time, so ads load more quickly. It is also flexible to handle multiple types of ad units and differentiate between desktop and mobile channels.

However, implementation can be complex. If publishers choose to manage it in-house, they will need an experienced [Ad Ops](#) team to set it up, manage, and monitor it. Most publishers choose to work with vendors that will manage the implementation and management for them.

What Came Before Header Bidding?

Before the header bidding solution became popular, the most common method for programmatic ads was the waterfall method.



Five Tool

Waterfall Method

Also known as **daisy-chaining**, a waterfall auction works by sending ad calls to specific **ad networks**. Publishers set priorities so one network gets the opportunity to bid first. If no bid meets the publisher minimums, the opportunity passes to the next **ad network**, and so on.

While it's an easier process to set up, it is limiting. So-called passbacks (accepting bids from **ad networks** in turn) result in less competition for **ad impressions**. If the first network has a bid that meets publisher minimum rates, it will be accepted without giving others a chance to bid on it. This can limit publisher yields.

Passbacks can also increase **latency**. As ad calls go from one **ad network** to the next, etc., this can impact load times and affect the **user experience** on the publisher's website.

Programmatic Direct

Another way of buying and selling advertising space is **programmatic direct**. Unlike **real-time bidding**, advertisers and publishers agree on the inventory and rate but then allow the rest of the ad delivery process to be handled by **AdTech** platforms. Advertisers choose websites, choose placements, flight dates, and acceptance rates.

Programmatic direct is used most often today for premium site placement when advertisers want to target specific websites. For publishers, it generally leads to higher rates but may limit the ability to fill much of their available **ad inventory**.

Open Bidding

Open bidding is Google's server-side **unified auction**. Publishers invite various **ad exchanges**, **SSPs**, and **ad networks** to bid in real-time for **ad placement**. The process happens on Google's servers and is only open to those invited and publishers using Google Ad Manager 360. This can prevent many publishers from accessing the open bidding platform.

The Benefits of Header Bidding

Header bidding offers benefits for publishers and advertisers.

4 Benefits for Publishers

The biggest benefit for publishers is increasing **ad revenue** through greater yield. Since bids are competitive and open to all bidders, publishers will always get the best rates available at the time an ad call occurs.

Other benefits for publishers using **header bidding** include:

- **Increased control:** Publishers can manage which sources can participate and prioritize advertisers if they choose.
- **Higher fill rates:** With a more diverse set of bidders, ad units see higher **fill rates** for ad inventory.
- **Higher publisher revenue:** Header bidding results in higher rates due to competitive bidding by multiple advertisers.
- **Fast loading times:** Because bidding happens in real-time, simultaneously across all bidders, decisions are made instantly. This results in fast load times and a better **user experience**.

4 Benefits for Advertisers

- **Equal access:** Advertisers have equal access to the best inventory.
- **Transparency:** Unlike in a waterfall method, advertisers can see all of a publisher's **ad inventory**, not just what was unsold by someone higher up the waterfall chain.
- **Premium inventory:** Advertisers can also access **premium inventory** that may have previously only been available through **direct deals**.
- **Better ad targeting and reach:** Because publishers have greater transparency, they can also more narrowly target ads using demographic and website data.



Five Tool

Why Header Bidding is Better Than Google AdSense

Header bidding is a better solution for digital advertising for publishers that use Google AdSense or participate in Google AdX. Google only lets advertisers in the Google ecosystem bid on ad placements. Header bidding does not have this restriction, allowing more demand partners to bid for ad space. This leads to more competition and better yields.

Google also uses average bid values for optimization. Even if an advertiser is willing to pay higher rates, the bid will stay at the average value set on Google's ad exchange. This can leave money on the table for publishers. In header bidding, the highest bid wins.

How to Choose a Partner to Help Implement Header Bidding on Your Site

When choosing a partner to help implement the header bidding process on your site, there are several specific things you want to consider.

Pricing

Pricing is about more than just the rates you can get. Header bidding platforms work on a rev-share model, so you'll want to have a solid understanding of the fees that get deducted from the ad dollars before you get your share. You'll also want to examine payment terms and any lock-in periods.

Wondering how much money you can make from [ad networks](#) that use [header bidding](#)? Try Newor Media's free [Earnings Calculator](#) to find out.

Prebid Wrappers

Whether you choose to manage your [prebid](#) wrappers yourself or have a partner manage them for you, you need to know the process involved and how easy (or difficult) it will be to add or remove [demand partners](#) and [bidding partners](#). You'll also need to make sure they support your choice of server-side or [client-side](#) approaches to [header bidding](#).

Support

Support is essential to your success in [programmatic advertising](#). Google AdSense, for example, is mostly self-service, while most [header bidding partners](#) will provide hands-on support.

Newor Media, for example, prides itself on responding to most requests within an hour of being submitted. Newor Media also works with publishers to optimize ad units and [ad placements](#) and provide the proper balance between maximizing revenue and providing fast [page load times](#) for a better [user experience](#).

Ad Fraud and Brand Safety

Make sure any [header bidding](#) platform you work with is proactive about protecting publishers from ad fraud. You also want the ability to set allow lists and block lists to prevent showing ads that don't meet your standards.

Reporting

The goal of an [ad network](#) is to optimize your revenue and help you get the highest possible rates for your [ad inventory](#). You will want access to accurate, detailed reporting — including [line item discrepancies](#) — so you can evaluate whether you're meeting that



Five Tool

goal. Reporting data gives you the insight you need to optimize your ad units, inventory, pricing strategy, etc.

How to Get Started

To get started with **header bidding**, you should know that you can do it on your own, but it's complex. It takes dedicated and experienced **AdOps** teams and detailed programming knowledge to ensure code doesn't conflict with anything else on your website.

Prebid wrappers also require specific expertise. In the end, it can be expensive and outweigh the benefits of the resulting revenue. That's why almost all publishers use partners to implement **header bidding**.

One of the easiest ways to get started is to [get in touch with the **programmatic advertising and header bidding** experts at Newor Media](#). Let us handle the technical side of things, so you can focus on growing your website while we focus on growing your revenue.